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From: James B. Atkins [mailto:atkins77@bellsouth.net]
Sent: Monday, December 08, 2008 3:48 PM
To: Terreni, Charles; Boyd, Jocelyn; Butler, David
Subject: Corrected Comments Docket No. 2008-196-E
Importance: High

Posted: 12/11/08
Dept: S.A./ORS
Date: 12/11/08
Time: 2:20

Dear Mr Terreni,

Please find attached my corrected comments in Docket No. 2008-196-E. These serve to correct just a small percentage of my prior comments and exhibit. I made a coding error which resulted in an under-estimation of the actual demand data provided by SCE&G. Although the magnitude of my statistical analysis was slightly off, the trends and conclusions remain unchanged from my original submittal.

Thank you for attention in this matter.

Best regards,

James B. Atkins
157 Preserve Lane
Columbia, SC 29209
803.776.5465 (Home)
803.238.1115 (Mobile)

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PSC SC
DOCKETING DEPT.

1 **CORRECTED COMMENTS OF JAMES B. ATKINS, Ph.D.**

2 **IN**

3 **PSC SC DOCKET NO. 2008-196-E**

4
5
6 **Q. PLEASE STATE YOUR NAME, AFFILIATION AND ADDRESS.**

7 A. My name is James B. Atkins, and I am a customer of South Carolina
8 Electric and Gas Company (SCE&G) residing at 157 Preserve Lane, Columbia,
9 South Carolina. I am also the President of Regulatory Heuristics, LLC, a single
10 member consulting firm specializing in energy and environmental policy issues.

11
12 **Q. WHAT IS THE PURPOSE OF YOUR CORRECTED COMMENTS IN**
13 **THIS PROCEEDING?**

14 A. The purpose of my corrected comments is to correct certain limited errors
15 contained in my prior comments and exhibits submitted into the record in Docket
16 No. 2008-196-E. **Other than the corrections contained below, I stand by my**
17 **prior comments made in both my written and oral testimony to the**
18 **Commission.**

19
20 **Q. WHAT ARE YOUR SPECIFIC CORRECTIONS CONCERNING YOUR**
21 **PRIOR COMMENTS AND EXHIBITS REGARDING THE DEMAND**
22 **FORECASTS?**

23 A. For clarity, I have omitted Figures 1, 2 and 4 from my prior Exhibit.
24 Figures 5, 6 and 9 through 15 were correct as originally submitted and are
25 unchanged, as are my comments and conclusions concerning these figures.

26
27 Figure 3 has been corrected to accurately reflect the demand, both with
28 and without the sale to NCEMC (NC), for the years from 2004 through 2007.
29 SCE&G had removed the sale to NC for these four years, and I inadvertently
30 removed the sale as well. Therefore, my figures under-represented the demand

1 both with and without the sale to NC. Figure 3 (corrected) accurately shows the
2 demand from 1993 through 2007 and the May 2008 IRP forecasts as filed by
3 SCE&G. Figure 3 indicates that the 2008 forecasts are essentially unchanged in
4 the annual increase in demand growth compared with SCE&G's demand minus
5 the sale to NC. Demand is shown to be reduced through 2012 perhaps in response
6 to the implementation of SEER 13 HVAC systems contained in Dr. Lynch's
7 testimony. However, beyond 2012, there is no continuing drop in annual demand
8 growth except that the sale to NC causes the demand to drop beginning in 2013.
9 As mentioned in my original comments, one would have to question whether or
10 not SCE&G has accurately captured the full extent of demand reduction which
11 can, and will, be achieved in the future through the implementation of energy
12 efficiency practices. As such, it is still my opinion that the May 2008 IRP
13 forecasts over-estimate the demand in the 10 to 15 year timeframe.
14

15 Figures 7 and 8 have also been corrected with the inclusion of the correct
16 demand data from 2004 through 2007. Figure 7 (corrected) shows that the 10 year
17 average growth in demand is essentially unchanged from 1994 through 2007.
18 Demand growth is then shown to drop from 2007 through 2014. However, this
19 trend is reversed in 2014 with demand growth increasing through 2022. This is a
20 similar trend observed in my original comments and remains unexplained by
21 SCE&G as to why such an increase would occur. In contrast, the 15 year average
22 growth in demand shown in Figure 8 (corrected) shows a downward trend in
23 demand growth from 2007 through 2016. After 2016, however, demand growth is
24 shown to generally level off. **Unless an adequate answer can be provided on**
25 **why the 10 year and 15 year average demand growth tends to flatten-out**
26 **and/or increase in the 2014 to 2016 time frame, this would again suggest that**
27 **the long term forecasts may over estimate the demand.**
28

29 **Q. DOES THIS COMPLETE YOUR CORRECTIONS?**

30 A. Yes.

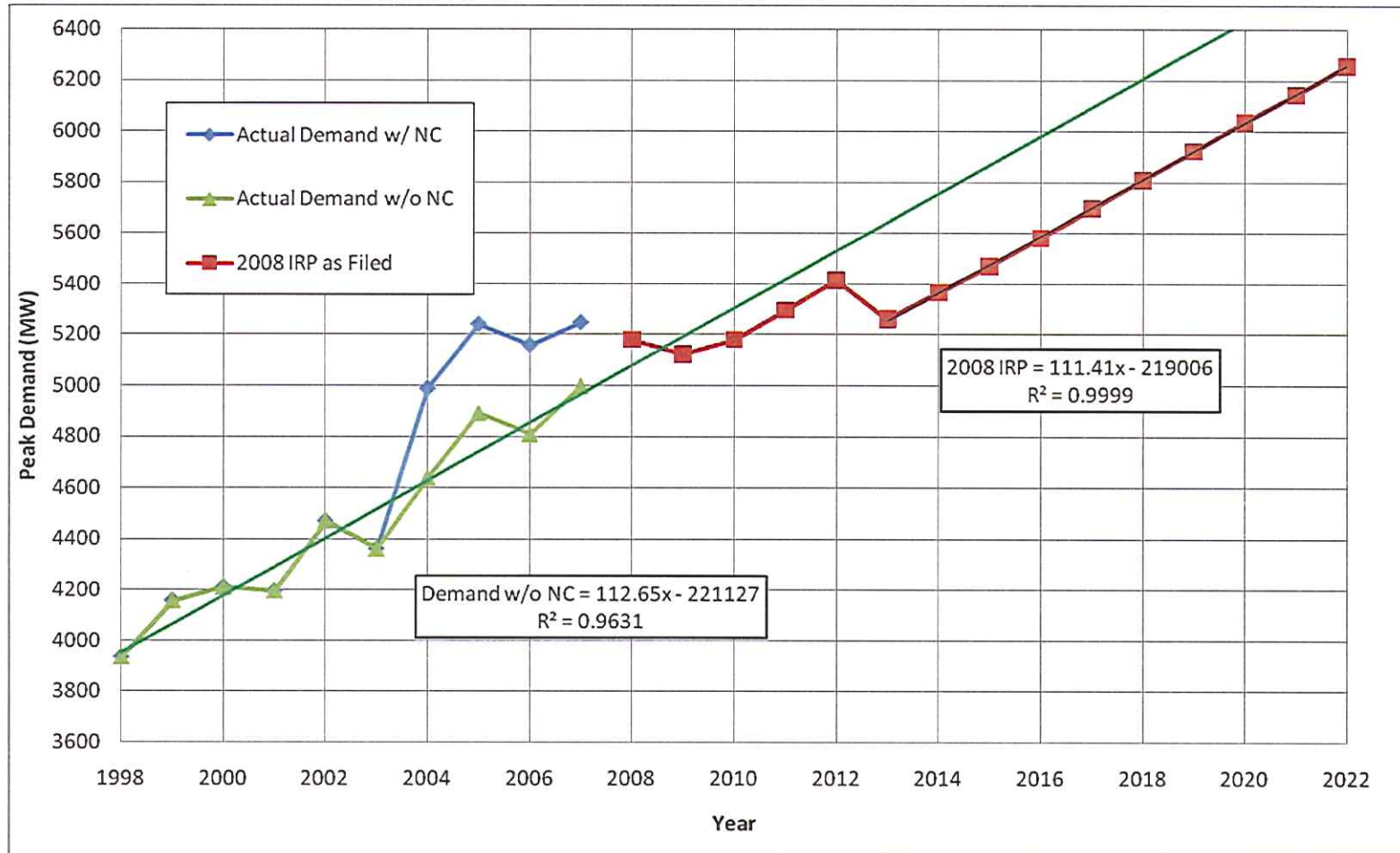


Figure 3 Corrected. Historical peak demand from 1993 through 2007 for SCE&G including and excluding the off-system sale to NCEMC and the May 2008 IRP forecasted demand.

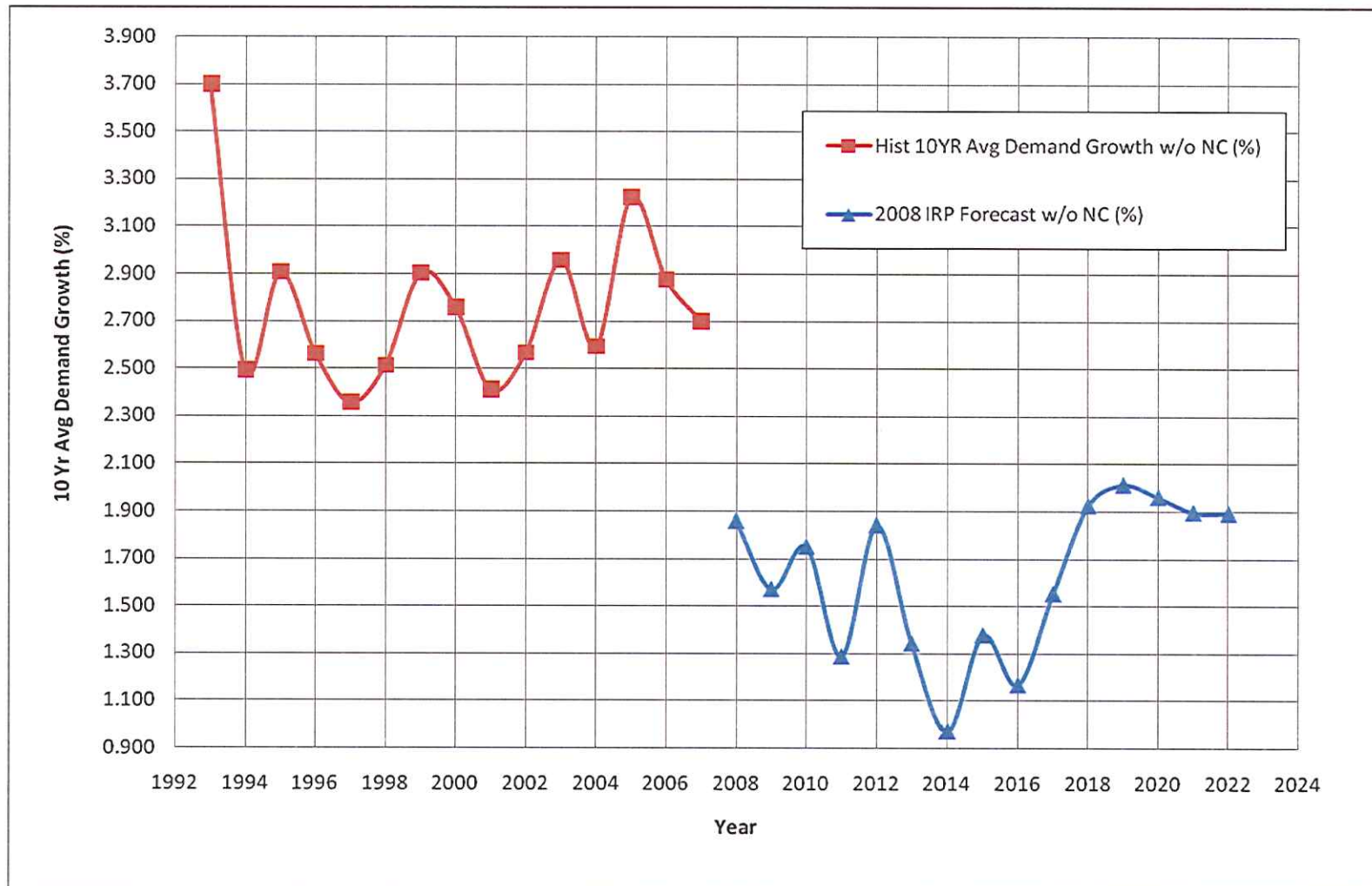


Figure 7 Corrected. Time series of the historical 10 year average growth in peak demand for SCE&G from 1978 to 2007, and the forecasted 10 year average growth in peak demand based on their May 2008 IRP. Both data series exclude the off-system sale to NCEMC.

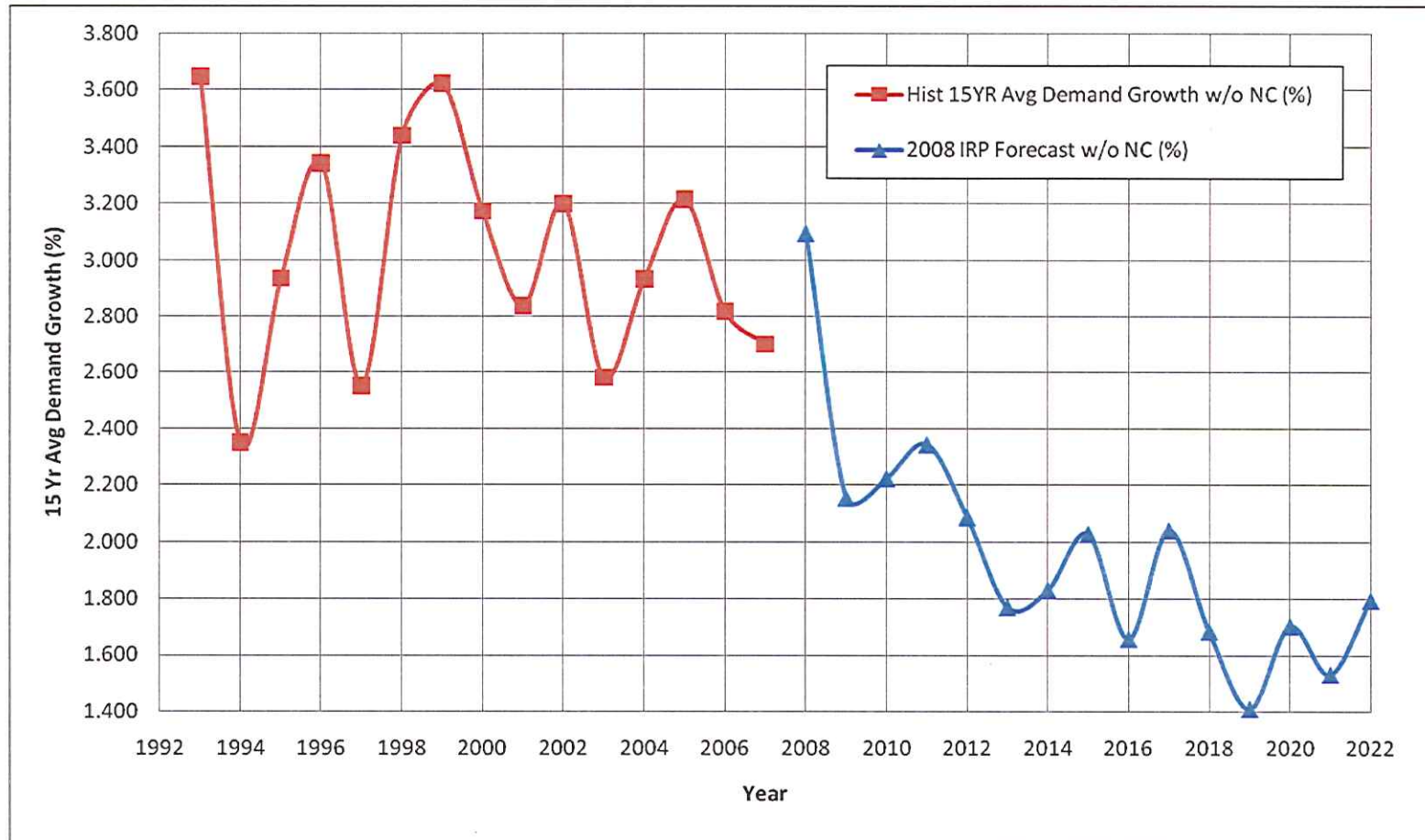


Figure 8 Corrected. Time series of the historical 15 year average growth in peak demand for SCE&G from 1978 to 2007, and the forecasted 15 year average growth in peak demand based on their May 2008 IRP. Both data series exclude the off-system sale to NCEMC.